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RL

15 June 1976

NOTE FOR: D/DCI/NI

SUBJECT : Leo Cherne's 8 June Letter to the DCI

*Sick* —

1. I don't know how seriously the DCI will be inclined to take Cherne's recommendation for "an analytic corps, insulated from daily pressures, for the purpose of addressing trends in a comprehensive and, most importantly, in a multi-disciplinary way." The recommendation, of course, runs counter to what are now orthodox attitudes on this subject in the Agency.

2. As you know, I am personally inclined to the view that top quality estimates are going to continue to be hard to get until the NIOs have available a small body of analytic talent responsive primarily, if not exclusively, to national intelligence needs. At the request of Colby and the late Sam Wilson Committee, I explored some of these problems in a memorandum last October, which was reviewed by the NIOs at the time. I attach a copy.

3. If the times are not yet right for such a step (and I imagine they are not, at the moment), there is one other half step in the suggested direction which could be taken without danger to anybody's interests and with a potential for usefulness. That is to establish (for example in each major regional or functional division of OCI, OER, and perhaps OSR) a middle-grade estimative analyst, carefully chosen for strengths in drafting clear, well structured, brief estimates, whose first priority would be just that. When not so engaged, he would be free to assist in the general work of the division, but would hold himself sufficiently loose so that at any time he is free on short notice to draft and help coordinate national intelligence estimates and similar analytical exercises. This, as I recall, bears some resemblance to an idea you had when you were Director of OCI and the NIO system was getting started.

4. Cherne, probably without realizing it, is asking for something like the ONE staff. This will arouse bureaucratic defensiveness all over the DDI. But the problems he raises are, in the light of 2 1/2 years experience, sufficiently genuine to call for something more than evasive tactics. If the times are not ready for a separate estimative staff, at least we can do the NIO system and the production offices some good by limited steps.

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Attachment

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cc: NIO/EC

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28 October 1975

VII. ISSUE: HOW BEST TO PRODUCE NATIONAL AND OTHER INTELLIGENCE ESTIMATES

A. Congressional Committee Positions

1. SSC

a. SSC Staff reviewing NIEs over long period and exploring history and problems of estimates' production.

b. Several former ranking CIA officials (e.g., John McCone) have argued for a BNE in interviews with Senate Staff.

c. Senator Mondale has publicly argued for re-creating BNE, reflecting some SSC Staff sentiments.

2. HSC

a. Position not known. Inference from numerous questions addressed to Wilson-Hyland-Clark was that several members admire old-style NIEs and methods of producing them, believe NIOs too engaged in day-to-day business for systematic long-term thinking, are skeptical that NIOs have sufficient authority in Agency/Community to get job done, and wonder about their ability to withstand policy pressures on estimates.

b. On other hand, two HSC staffers who have been briefed on NIO system and are studying estimates have professed themselves impressed with it and with steps being taken to improve it.

B. Discussion of Options

1. This question tends to be debated in either/or terms, i.e., "Are NIOs better than BNE or visa versa?" This is probably a false dichotomy, certainly an unnecessarily restrictive one. One may wish to choose either an NIO or a BNE system; one does not have to. In

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terms of symbols, there is a tendency on the Hill and in parts of press to glamorize the BNE as synonymous with objectivity and wisdom, NIOs with the obverse. Whatever our personal inclinations, no knowledgeable person thinks in these simplistic terms. The matter is further complicated by charges (Mondale speech) that Nixon caused the abolition of BNE for ideological reasons -- charges which are not true.

2. In actuality, the NIOs were set up in 1973 to perform a cluster of functions deriving from the DCI's mandate to lead the Community, and from Mr. Colby's own felt need for close substantive support in certain geographical and functional areas. Their responsibilities include production of NIEs and other estimates, but many other things as well. Their NIE responsibilities were assigned partly to offset charges that ONE had too monopolistic a role in drafting NIEs.

3. The BNE was established in 1951 to produce National Estimates period. As it evolved, and as it developed a sophisticated staff, it broadened its activities to include a variety of analytical and estimative functions and speculative work in addition to NIEs -- both coordinated within the Community and unilaterally for the DCI or at his request.

4. Thus, NIO and ONE functions overlap in part but only in part.

a. NIOs do a variety of staff support jobs for the DCI, look at substantive affairs from his point of view, are active in consumer relations and in grey area between substance and management (KIQ-KEP, etc.). The NIOs and their assistants are specialists in their subjects of responsibility -- though broad-gauged specialists. They employ regular production offices in CIA and elsewhere to get jobs done. Personnel is drawn from senior- and middle-level substantive experts of CIA, State and the services, with some infusion of talent from outside government.

b. ONE was based on concept of small group of very senior generalists, civilian and military, removed from current and administrative responsibilities, charged with thinking ahead substantively. They served, individually and collectively, as the DCI's executive agents for producing National Estimates and other estimative products. BNE was supported by small substantive staff which did the drafting, helped by departmental contributions. As ONE evolved, relative importance of staff grew.

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5. Whether considered empirically in the light of experience or conceptually, NIO and BNE systems each show a mixture of advantages and disadvantages, with preponderance depending on which cluster of functions one considers most important.

Lessons from Experience

a. Little doubt in light of two years' experience that the DCI, charged with present mandate to lead the Community, needs something like NIOs as substantive staff officers. Would probably need them all the more if he or a super-senior intelligence officer receives a strengthened mandate for leadership of the Community. NIOs, as a channel between policy consumers and intelligence producers, have also proved their usefulness in making intelligence more responsive to consumer needs and in helping the DCI prioritize Community's substantive effort.

b. Also little doubt, in light of experience, that NIOs do not have enough time and staff support to deal systematically with long-term problems. They have had difficulty getting quality estimates drafted -- especially when problem cuts across geographic specialities, when outside agencies asked to do job, or when time pressures are urgent. Press of daily responsibilities is not compatible with the sustained attention needed for thoughtful long-run estimating. Sustained proximity to high policymakers could interfere with rigorous independence and objectivity. (In practice, there has been little evidence of improper policy pressures and NIOs independence has been vigorously asserted when the need arose.)

c. In sum, NIOs have clearly proven useful to DCI and have clearly also helped in fine-tuning intelligence effort to policymakers' needs. These improvements have been made at some cost in systematic provisions for long-run, pressure-free estimating and for handling problems across geographic and functional lines.

C. The Range of Options

Conceptually, these range from the extreme of keeping the present NIO system without a staff to abolishing it in favor of an enhanced BNE. The sensible options probably lie between these poles and admit of many design variations in terms of composition, function, administrative location, subordination, etc. Illustratively, these variations include:

1. Clarify and reinforce NIO's authority to commandeer drafting and other substantive support from all appropriate CIA offices and other agencies.
2. Organize a drafting staff for the NIOs -- either qua staff or attached as needed to particular NIOs.
3. Make the NIOs a more collegial substantive body to strengthen capacity for estimates which cross geographical or functional lines.
4. Add three or four generalist NIOs without specific geographic or functional responsibilities.
5. Establish a substantive review group drawn from CIA, State, DOD and outside -- convening regularly or on call -- to review estimates prepared under NIO auspices.
6. Establish an office of estimates apart from but parallel with the NIOs. Would be composed of a small group of senior generalists with a small substantive staff for drafting and specialized support, both elements drawn from within and outside the Community, to act as executive agent for estimates' production, quality control mechanism and long-range think tank. It would free NIOs for customer relations, substantive and quasi-management duties in support of the DCI or other senior officials, etc.
7. Establish an enhanced Board of Estimates, complete with "eminent and highly qualified intelligence analysts, diplomats and statesmen ... not susceptible to White House or parochial agency pressure." (Mondale) Give it a strong staff which, inter alia, would perform many of present NIO functions.

D. Recommendations

N.B. Any recommendations on this issue must take account of the DCI's needs, the climate in the White House and on the Hill, and past experience and anticipated requirements. No two people will see these in precisely the same light. Considering all the factors, two alternatives seem sensible:

1. C6 above (an office of estimates parallel with the NIO structure). This has the merit of real and visible change (intrinsically desirable in present context) but not

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too much change. It is sufficiently flexible to meet all or most of the desiderata associated with other options. It would cost some money and slots not presently available, and these would have to come out of other resources being cut back. It should be headed up by someone, ideally an outside civilian, not identified with BNE or NIO system, who could claim confidence of Congress and academic/think tank community as well as of the DCI and executive branch. Its working relationship with the NIOs would need precise and thoughtful clarification.

2. A mixture of C2, 3, 4 and 5 above (drafting staff for NIOs, a more collegial NIO process, two or three generalist NIOs and/or a review group for quality control and generalist perspective.) This would build on present structure and help repair present deficiencies. It would cost somewhat less than the other recommended option. It would help free present NIOs for what they do best. It would be criticized as cosmetic tinkering rather than real change, but that criticism would not be fatal.

#### E. Proposed Action

Neither of these steps would require legislation and either could be accomplished by executive order or DCI directive. But much depends on what functions are to be maximized and especially on whether a new senior intelligence officer is created, where he would sit, etc. Unless and until the DCI concurs in one of these recommendations, or directs another line of approach, there is no basis for action. If he should approve either of the recommended approaches, a small task force should be established to blueprint a workable plan. Group should initially include representatives of NIO office, ICS, DDI, perhaps DD/A. A second phase would involve elements of the Community. Planning phase could be accomplished in a couple of weeks.